

State of Missouri
Office of Secretary of State

Case No. AP-04-88

IN THE MATTER OF:

JOON H. RHEE,
CRD# 2167218
153 Page Road
Valley Stream, New York 11581

Respondent.

CONSENT ORDER

1. On the 23rd day of November, 2004, Mary S. Hosmer, Assistant Commissioner of Securities, submitted a Petition for Administrative Relief, alleging cause for discipline or disqualification of Joon H. Rhee.
2. On November 29, 2004, the former Commissioner of Securities issued a Summary Order to Cease and Desist and an Order Barring Rhee from registering in the State of Missouri and Ordered Rhee to show cause why civil penalties and costs should not be imposed.
3. Respondent and the Enforcement Section of the Securities Division desire to settle the allegations and the matters raised by the staff of the Securities Division relating to the alleged violations by Respondent.
4. Respondent and the Enforcement Section of the Securities Division consent to the issuance of this Consent Order and hereby stipulate that this Consent Order is in the public interest.
5. Respondent stipulates and agrees to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
6. Respondent waives his right to a hearing with respect to this matter.
7. Respondent stipulates and agrees that Respondent waives any rights Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order and, further, Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
8. Respondent stipulates that he has never received a complaint from any Missouri resident.
9. Respondent stipulates and agrees that, should the facts contained herein prove to be

false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal

STIPULATIONS OF FACT

10. Respondent and the Enforcement Section of the Securities Division stipulate and agree to the following Stipulations of Fact:
11. Respondent has a residence address of 153 Page Road, Valley Stream, New York 11581.
12. Respondent has been a registered agent of National Securities Corporation ("National") a Missouri-registered broker-dealer since February 5, 2004. Respondent is registered in most states and with the National Association of Securities Dealers ("NASD"), however, he is not currently registered in the State of Missouri.
13. Respondent was registered in Missouri as an agent of Continental Broker-Dealer Corp. ("Continental") from January 16, 2001 to October 29, 2003.
14. On January 16, 2003, the Missouri Commissioner of Securities issued a Summary Order to Cease and Desist, Summary Order to Condition and Limit Broker-Dealer Registration, and order to show cause why civil penalties should not be imposed against Continental. On June 24, 2004, the Missouri Commissioner of Securities issued a Final Order ordering Continental to Cease and Desist violations of the act, permanently barring Continental from registration and ordering Continental to pay civil penalties.
15. A review of Respondent's record with the CRD System revealed that Respondent failed to timely report two customer complaints on his Form U-4 while employed with Continental:
 - a. On October 10, 2002, Respondent, while employed with Continental, received a complaint from Client 1 that alleged Respondent made unsuitable recommendations in the sale of securities. Client 1 alleged compensatory damages of \$309,000.
 - b. On September 16, 2003, Respondent and Continental settled with Client 1 and agreed to pay Client 1 \$125,000.
 - c. On March 4, 2004, more than 16 months after receiving this complaint and more than 5 months after settling the complaint, Respondent filed an amendment to his Form U-4 and disclosed the complaint by Client 1 and the settlement of the complaint.
16. On or around October 19, 2001, Respondent, while employed with Continental, received a complaint from Client 2 that alleged Respondent made unauthorized trades in the sale of securities. Client 2 alleged compensatory damages of \$90,000.
17. On October 19, 2001, Respondent and Continental settled with Client 2 and agreed to pay Client 2 \$35,000.
18. Respondent had a duty to timely amend his Form U-4 when these changes occurred.

By not reporting these complaints or settlements for several months after receiving them, Respondent failed to timely amend his Form U-4.

19. This order is in the public interest.

JURISDICTIONAL BASIS

20. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has jurisdiction over the matters pursuant to Chapter 409, et al. of the 2003 Securities Act.
21. Respondent and the Enforcement Section of the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), of the 2003 Act, which provides that the commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

ORDER

WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo Supp. 2003.

NOW, THEREFORE, it is hereby Ordered that Respondent is prohibited from applying for registration in the state of Missouri for a period of 5 years;

IT IS FURTHER ORDERED that Respondent shall pay \$15,000 to the Missouri Investor Education and Protection Fund. Respondent shall pay \$5,000 upon the execution of this consent and shall pay \$1,000 a month beginning on April 3, 2006 and continuing until such amount is paid in full. Respondent shall make the checks payable to the Missouri Secretary of State and the checks shall be delivered to the Securities Division who will send the money to the Investor Education and Protection Fund. If Respondent misses any payment, the full amount remaining shall be immediately due and payable after five days notice to cure.

IT IS FURTHER ORDERED that Respondent will pay his own costs and attorneys fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS ____ DAY OF _____, 2006.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION
Mary S. Hosmer
Assistant Commissioner of Securities

Joon H. Rhee, Respondent

Approved as to form:
Timothy Feil, Counsel for Respondent